

Message Text

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SUBJECT: NORTH SEA OIL AND THE ELECTION MANIFESTOS

1. TWO OF THE THREE MAJOR POLITICAL PARTIES IN THE UK
DEAL WITH NORTH SEA OIL IN THEIR ELECTION MANIFESTOS.
THE LABOUR MANIFESTO FOLLOWS CURRENT GOVERNMENT POLICY.
THE CONSERVATIVES HAVE MOVED SOMEWHAT CLOSER TO LABOUR'S
VIES ON DEPLETION POLICY. THE MAIN DIFFERENCE CONTINUES
TO BE THAT THE CONSERVATIVES WOULD OBTAIN A SHARE OF
NORTH SEA PROFITS VIA TAXATION, WHEREAS LABOUR WOULD DO SO
THROUGH MAJORITY PUBLIC PARTICIPATION IN EXISTING AND
FUTURE LICENSES. THE LIBERAL MANIFESTO DOES NOT DEAL
WITH NORTH SEA OIL, EXCEPT TO SAY THAT BRITAIN CANNOT COUNT
ON IT TO BE PANACEA FOR ITS BALANCE OF PAYMENTS PROBLEMS.

2. THE FOLLOWING IS THE RELAVANT SECTION OF THE LABOUR MANIFESTO:

ENERGY:

THE DISCOVERY OF OIL OFF OUR SHORES DRAMATICALLY CHANGES

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NOT ONLY THE COUNTRY'S ENERGY PROSPECTS, BUT OUR WHOLE

ECONOMIC FUTURE.

BECAUSE ITS IMPORTANCE CANNOT BE OVER-ESTIMATED IT IS
ESSENTIAL THAT ITS DEVELOPMENT SHOULD BE UNDER PUBLIC
CONTROL IN THE INTERESTS OF THE WHOLE COMMUNITY, AND WITH
REGARD TO THE FUTURE.

THE LABOUR GOVERNMENT WILL: --

A. TAKE MAJORITY PARTICIPATION ALL FUTURE OIL LICENSES
AND NEGOTIATE TO ACHIEVE MAJORITY STATE PARTICIPATION IN
EXISTING LICENSES.

B. SET UP A BRITISH NATIONAL OIL CORPORATION TO ENABLE
THE GOVERNMENT TO EXERCISE PARTICIPATION RIGHTS; TO PLAY
AN ACTIVE ROLE IN THE FUTURE DEVELOPMENT, EXPLORATION AND
EXPLOITATION OF OFFSHORE OIL; AND ENGAGE IN THE REFINING
AND THE DISTRIBUTION OF OIL. ITS HEADQUARTERS WILL BE IN
SCOTLAND.

C. IMPOSE A SUBSTANTIAL EXTRA TAX ON THE OIL COMPANIES'
PROFITS FROM THE NORTH SEA -- AND PLUG THE LOOPHOLES IN
EXISTING TAXATION.

D. TAKE NEW POWERS TO CONTROL THE PACE OF DEPLETION, PIPE-
LINES, EXPLORATION AND DEVELOPMENT -- AND TO PROTECT THE
ENVIRONMENT; AND NATIONALISE THE LAND NEEDED FOR THE OIL
PLATFORM CONSTRUCTION SITES.

E. SET UP NEW DEVELOPMENT AGENCIES IN SCOTLAND AND IN WALES--
FINANCED BY THE UNITED KINGDOM EXCHEQUER--WITH EXTRA
FUNDS TO REFLECT THE REVENUE FROM OFFSHORE OIL.

3. THE CONSERVATIVE MANIFESTO STATES:

IN EXPLOITING THE OIL RESERVES AROUND THE U.K. TAXATION
WILL PROVIDE BRITAIN WITH REVENUE FROM THE OIL.

A CONSERVATIVE GOVERNMENT WILL, THEREFORE, BLOCK THE
EXISTING CORPORATION TAX LOOPHOLES AND INTRODUCE A NEW
ADDITIONAL TAX ON NORTH SEA OIL PROFITS.

AT THE SAME TIME, OUR PROPOSED NEW REGULATIONS WILL
GIVE THE GOVERNMENT ALL THE CONTROL THAT IT NEEDS.

WE WILL ESTABLISH AN OIL CONSERVATION AUTHORITY TO
ACT AS A WATCHDOG. ITS JOB WILL BE TO REGULATE EXPLORATION
FOR OIL, INVESTMENT, PRODUCTION AND SALES IN ACCORDANCE
WITH GENERAL POLICY DIRECTIVES LAID DOWN BY THE GOVERNMENT.

SECONDLY, THE SCOTTISH PEOPLE MUST ENJOY MORE OF THE
FINANCIAL BENEFITS FROM OIL, AND THEY MUST BE GIVEN A FAR
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GREATER SAY OVER ITS OPERATION IN SCOTLAND. WE WILL,
THEREFORE, ESTABLISH A SCOTTISH DEVELOPMENT FUND.

WE WILL MOVE THE OIL PRODUCTION DIVISION OF THE
DEPARTMENT OF ENERGY TO SCOTLAND AND ENCOURAGE THE OIL
INDUSTRY TO LOCATE THEIR U.K. PRODUCTION HEADQUARTERS IN
SCOTLAND.

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